

FY 2014/15 PROPOSED ANNUAL BUDGET  
FUNDING HIGHLIGHTS BY BUREAU/OFFICE

The following is a summary of the proposed operating expense budget funding highlights of each of the Harbor Department Bureaus and the Executive and City Attorney Offices. The Bureau/Office budget figures presented are before capitalization, unless otherwise specified. Attrition savings have also been proportionately applied across each Bureau/Office budget.

**Finance & Administration Bureau Budget: \$122.2 Million (includes \$42.7 Million Harbor Operating Budget)**

Authorized Positions: 427

Filled Positions: 408 (as of April 2014)

Divisions: Construction & Maintenance, Information Technology, Finance, Human Resources, Contracts & Purchasing, and Commission Office.

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ	
Salaries & Benefits	52,062	55,050	5.7%	
Outside Services	12,139	12,790	5.4%	
Other Op. Expenses	54,399	54,353	-0.1%	
<b>Total Gross Operating Expenses</b>	<b>118,600</b>	<b>122,193</b>	<b>3.0%</b>	
Salaries & Benefits to Capital	-5,681	-2,898	-49.0%	
<b>Total Allocated Expenses</b>	<b>-5,681</b>	<b>-2,898</b>	<b>-49.0%</b>	
<b>Net Operating Expenses</b>	<b>112,919</b>	<b>119,295</b>	<b>5.6%</b>	

  

Fiscal Year	Amount (000s)
FY 13/14 Adopted	118,600
FY 14/15 Proposed	122,193

The Finance and Administration Bureau, the largest bureau in both staffing and operating budget, provides department-wide support services provided by six divisions. In terms of budget, the Construction & Maintenance Division is the largest of the bureau's divisions, with an operating budget of \$45 million. The majority of the bureau's \$2.9 million in capitalized salaries and benefits are for this division. The bureau's \$12.8 million in Outside Services is 36% of the department-wide budget in this expense category and is comprised primarily of \$5.1 million for information technology services including hardware and software maintenance and technical consulting services, and \$5.8 million in maintenance services for Port facilities. The 5.4% increase in this expense category is primarily due to new port security systems support, implementation of electrical safety audit recommendations, and additional facilities maintenance. The bureau also administers the \$42.7 million Harbor Operating Budget, which includes department-wide expenses such as City Services, utilities, insurance, workers' compensation, claims and settlements, among others. Approximately \$31 million in City Services are budgeted, the majority of which are for services provided by the City of Los Angeles Fire and Recreation and Parks Departments. About \$8.5 million in utilities and \$3.7 million in insurance premiums are also administered by this bureau. Approximately \$5.4 million or 71% of department-wide Materials and Supplies are also budgeted, of which \$4.9 million is for Construction & Maintenance operations.

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**Development Bureau Budget: \$48.9 Million (includes \$3.4 Million Maintenance Improvement Program)**

Authorized Positions: 191

Filled Positions: 187 (as of April 2014)

Divisions: Engineering, Construction, Environmental Management, and Goods Movement.

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ
Salaries & Benefits	28,053	28,747	2.5%
Outside Services	14,917	14,234	-4.6%
Other Op. Expenses	6,790	5,935	-12.6%
<b>Total Gross Operating Expenses</b>	<b>49,759</b>	<b>48,916</b>	<b>-1.7%</b>
Salaries & Benefits to Capital	-16,789	-16,722	-0.4%
<b>Total Allocated Expenses</b>	<b>-16,789</b>	<b>-16,722</b>	<b>-0.4%</b>
<b>Net Operating Expenses</b>	<b>32,971</b>	<b>32,194</b>	<b>-2.4%</b>

  

The bar chart displays two green bars representing gross operating expenses. The first bar, labeled 'FY 13/14 Adopted', has a value of 49,759. The second bar, labeled 'FY 14/15 Proposed', has a value of 48,916. The y-axis ranges from 30,000 to 50,000 in increments of 5,000.

The Development Bureau is primarily responsible for executing the Harbor Department’s Capital Improvement Program (CIP), overseeing environmental and remediation functions, performing transportation studies and analysis, and administering the \$3.4 million Maintenance Improvement Program (MIP). The MIP includes various port-wide maintenance projects, such as maintenance dredging and paving, as well as the Construction & Maintenance Division’s deferred maintenance program. The Goods Movement Division also recently assumed the grants management function and currently manages a \$300 million active grants portfolio.

For FY 2014/15, the Development Bureau budget highlights include \$28.7 million in Salaries and Benefits, of which \$16.7 million or 58% are capitalized in direct support of the CIP. The bureau’s Engineering and Construction Divisions are primarily responsible for the CIP, with estimated spending in the current fiscal year at about \$1 million a day. The increase in Salaries and Benefits due to mandatory salary adjustments is offset by reduction efforts the bureau made in Outside Services, Clean Truck Program administrative costs, and environmental incentives, resulting in a total net decrease by about \$780 thousand or 2.4%. The majority of the \$14.2 million in Outside Services are in support of the primary bureau functions, comprising about 41% of department-wide budget in this expense category.

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**Operations Bureau Budget: \$47.4 Million**

Authorized Positions: 266

Filled Positions: 249 (as of April 2014)

Divisions: Port Police, Port Pilots, and Wharfingers

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ
Salaries & Benefits	39,812	43,037	8.1%
Outside Services	2,638	2,627	-0.4%
Other Op. Expenses	1,762	1,725	-2.1%
<b>Total Gross Operating Expenses</b>	<b>44,212</b>	<b>47,388</b>	<b>7.2%</b>
Salaries & Benefits to Capital	0	0	0.0%
<b>Total Allocated Expenses</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Net Operating Expenses</b>	<b>44,212</b>	<b>47,388</b>	<b>7.2%</b>

The bar chart displays two green bars representing gross operating expenses. The first bar for FY 13/14 Adopted reaches the 44,212 mark on the y-axis. The second bar for FY 14/15 Proposed reaches the 47,388 mark, which is higher than the first bar. The y-axis ranges from 30,000 to 50,000 in increments of 5,000.

The Operations Bureau provides security and pilotage services, as well as management of daily wharf operations for the department, customers, and the community. The bureau's \$2.6 million in Outside Services supports the integration, maintenance and repair of the Port's security surveillance system, improvements to cyber security measures, and also the completion of the Department Operations Center, which will be the emergency coordination hub for the Harbor Department.

**Business Development Bureau Budget: \$16.3 Million**

Authorized Positions: 46

Filled Positions: 42 (as of April 2014)

Divisions: Business & Trade, Planning & Economic Development, and Real Estate

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ
Salaries & Benefits	7,309	7,667	4.9%
Outside Services	3,414	3,082	-9.7%
Other Op. Expenses	2,329	5,551	138.3%
<b>Total Gross Operating Expenses</b>	<b>13,053</b>	<b>16,300</b>	<b>24.9%</b>
Salaries & Benefits to Capital	-23	-26	12.1%
<b>Total Allocated Expenses</b>	<b>-23</b>	<b>-26</b>	<b>12.1%</b>
<b>Net Operating Expenses</b>	<b>13,030</b>	<b>16,275</b>	<b>24.9%</b>

The bar chart displays two green bars representing gross operating expenses. The first bar for FY 13/14 Adopted reaches the 13,053 mark on the y-axis. The second bar for FY 14/15 Proposed reaches the 16,300 mark, which is significantly higher than the first bar. The y-axis ranges from 0 to 20,000 in increments of 5,000.

The Business Development Bureau includes three divisions devoted to developing, growing, and retaining Port business. Among others, it is responsible for the Business Development Strategic Plan, which provides the Port with strategic steps to retain and grow business.

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**Business Development Bureau Budget: \$16.3 Million** (cont.)

The principal driver for the increase between the proposed and adopted budget is the inclusion of the \$3.5 million Carrier Incentive Program, which is offered to shipping lines that grow their container volumes through the Port during calendar year 2014 with the objective to attract greater cargo growth than can be achieved through organic growth alone. The Port's award-winning Trade Connect Program is also administered under this bureau, which seeks to develop the local exporting economy by training companies to become exporters. The Real Estate Division oversees Port properties and develops, negotiates and executes lease and permit terms with current and prospective Port customers. The Planning & Economic Development Division maintains the Port Master Plan and Strategic Plan, and is the lead in developer negotiations for the Ports O'Call redevelopment project, among other initiatives.

**External Relations Bureau Budget: \$9.3 Million**

Authorized Positions: 29

Filled Positions: 28 (as of April 2013)

Divisions: Public Relations, Graphics Services, Media Relations, and Government Affairs

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ		
Salaries & Benefits	4,045	4,179	3.3%		
Outside Services	1,234	1,081	-12.4%		
Other Op. Expenses	3,984	4,004	0.5%	10,000	
<b>Total Gross Operating Expenses</b>	<b>9,263</b>	<b>9,264</b>	<b>0.0%</b>		
Salaries & Benefits to Capital	0	0	0.0%	9,000	
<b>Total Allocated Expenses</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	8,000	
<b>Net Operating Expenses</b>	<b>9,263</b>	<b>9,264</b>	<b>0.0%</b>	7,000	

The bar chart displays the Gross Operating Expenses for two fiscal years. The Y-axis represents the amount in thousands of dollars, ranging from 7,000 to 10,000. The X-axis shows the fiscal years: FY 13/14 Adopted and FY 14/15 Proposed. The bar for FY 13/14 Adopted is labeled with the value 9,263. The bar for FY 14/15 Proposed is labeled with the value 9,264. The chart shows a very slight increase in expenses from the adopted budget to the proposed budget.

The External Relations Bureau is comprised of four divisions that provide department-wide public relations, stakeholder outreach, and legislative advocacy and education support. The bureau's \$1.1 million in Outside Services, which reflects a 12.4% reduction as compared to the Adopted Budget, is 3.1% of department-wide Outside Services and is primarily for advocacy services, audio visual, marketing, and other communications services. Of the \$3.7 million in the department-wide Marketing & Public Relations expense budget, \$3.0 million or 81% is administered by this bureau to provide sponsorships, community event support, advertising, business outreach, publications, and employee programs, among others.

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**City Attorney's Office Budget: \$6.4 Million**

Positions: 23 FTEs (full-time equivalents)

As a sub-group of the Los Angeles City Attorney's Office, compensation of staff totaling \$4.5 million is budgeted within the City Services component and is billed and paid through the City Administrative Officer (CAO).

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ	
Salaries & Benefits	9	9	0.0%	
Outside Services	1,578	1,764	11.8%	
Other Op. Expenses*	4,585	4,605	0.4%	
<b>Total Gross Operating Expenses</b>	<b>6,171</b>	<b>6,378</b>	<b>3.3%</b>	
Allocations to Capital	-580	-530	-8.6%	
<b>Total Allocated Expenses</b>	<b>-580</b>	<b>-530</b>	<b>-8.6%</b>	
<b>Net Operating Expenses</b>	<b>5,591</b>	<b>5,848</b>	<b>4.6%</b>	
*Includes City Services expenses				

  

**Adopted and Proposed  
Gross Operating Expenses**

The City Attorney, Michael Feuer, is the elected official who represents the City of Los Angeles in all criminal and civil legal matters under the Charter. The Harbor Division is a division of the Civil Branch of the City Attorney, and provides general legal counsel to the Board of Harbor Commissioners, Harbor Department staff, the Alameda Corridor Transportation Authority and the ICTF (Intermodal Container Transfer Facility) Joint Powers Authority. The mission of the City Attorney's Office is to provide the highest quality legal services, on a timely and cost-effective basis, to support clients' strategic goals and projects, defend the City from claims and litigation, and ensure compliance with laws. In-house attorney staff does all "core business" work, and outside counsel is used only for specialized expertise or workload in excess of capacity or time constraints. By Charter, the City Attorney's Office approves all contracts as to form and legality.

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**Executive Office Budget: \$3.7 Million**

Authorized Positions: 15

Filled Positions: 15 (as of April 2014)

(000s)	FY 13/14 Adopted	FY 14/15 Proposed	Proposed vs. Adopted % Δ
Salaries & Benefits	3,315	3,426	3.3%
Outside Services	546	95	-82.6%
Other Op. Expenses	304	204	-32.9%
<b>Total Gross Operating Expenses</b>	<b>4,166</b>	<b>3,725</b>	<b>-10.6%</b>
<b>Total Allocated Expenses</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Net Operating Expenses</b>	<b>4,166</b>	<b>3,725</b>	<b>-10.6%</b>

  

The bar chart displays two green bars representing gross operating expenses. The first bar, for FY 13/14 Adopted, reaches a value of 4,166. The second bar, for FY 14/15 Proposed, reaches a value of 3,725. The vertical axis is labeled from 2,000 to 6,000 in increments of 1,000.

The Executive Office is budgeted for 15 positions, which includes the Executive Director, Deputy Executive Directors, and administrative staff. Travel for purposes of maintaining customer relationships, trade development, and business retention represents \$145 thousand or 48% of the office's Operating Expenses (when excluding expenses for Salaries and Benefits). Salaries & Benefits represents \$3.4 million or 92% of the Bureau's total budget. The Executive Office's Outside Services budget of \$95 thousand was reduced by about 83% compared to the Adopted Budget and is utilized for as-needed consultants.